

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 USIA-15 MMS-04 SP-02 AGR-10 /049 W

----- 073454

R 142115Z MAR 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 4820

INFO USDOC WASHDC

AMCONSUL GUAYAQUIL

UNCLAS SECTION 1 OF 2 QUITO 1831

E.O. 11652: N/A

TAGS: BEXP, EC

SUBJECT: DRAFT FY 77 COUNTRY COMMERCIAL PROGRAM

REF: A) STATE A-9016 B) QUITO 0521 C) STATE 051541 D) STATE 055836

1. APPRECIATE USEFUL GUIDELINES AND INFORMATION CONTAINED IN DRAFT ECUADOR FY 76 CCP AND DRAFT COLOMBIA FY 1977 CCP. WE HAVE ALSO RECEIVED AND STUDIED ARTHUR D. LITTLE MARKET SURVEY. FOLLOWING ARE OUR OWN DRAFT FY 77 CCP CAMPAIGN PROPOSALS AND RESOURCE ALLOCATION DATA. FORMAT SLIGHTLY CHANGED FOR MORE CLARITY.

2. CAMPAIGN WORKSHEET NO. 1: ENERGY GENERATING, TRANSMISSION AND SWITCHING SYSTEMS/EQUIPMENT. PRINCIPAL PROMOTIONAL ACTIVITY: TRADE MISSION. PROPOSED DATE: JULY 1976.

CAMPAIGN STATEMENT: IMPORTS OF ELECTRICITY GENERATING AND SWITCHING EQUIPMENT ALONE IN 1973 AMOUNTED TO US\$8.4 MILLION. LOCAL PRODUCTION IS MINIMAL AND EXPECTED TO REMAIN SO FOR SEVERAL YEARS. IMPORTS EXPECTED TO GROW FROM \$11.7 MILLION IN 1974 TO \$14 MILLION IN 1977.

US SHARE OF ELECTRICITY GENERATING AND SWITCHING EQUIPMENT MARKET DECREASED TO 21 PERCENT IN 1973 FROM 30-40 PERCENT IN PREVIOUS TWO YEARS, AND OBJECT IS TO RECAPTURE SUBSTANTIAL SHARE OF THIS GROWING MARKET. GOVERNMENT, PARTICULARLY INECEL, WILL BE MAJOR PURCHASER. TRADE MISSION ABLE TO PRESENT TECHNICAL DATA, PRICES, AND EXPLAIN BENEFIT OF EQUIPMENT TO GOE OFFICIALS IS CONSIDERED BEST VEHICLE. CAMPAIGN OBJECTIVES:

1. INFLUENCE GOE DECISION-MAKERS TOWARD US EQUIPMENT IN FUTURE

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PURCHASES.

2. 4 REPRESENTATION AGREEMENTS SIGNED

3. INTRODUCE AT LEAST 6 NTM FIRMS.

4. \$3 MILLION IN PROJECTED SALES TO PUBLIC SECTOR

5. 3 ARTICLES IN EACH OF 3 NEWSPAPERS.

ACTIONS: (SEE FY 76 CCP CAMPAIGNS FOR ACTIONS DUE BY JUNE 30)  
BY SEPTEMBER 30:

1. ALL APPROPRIATE ON-THE-SPOT ASSISTANCE TO TRADE MISSION.

2. SUBMIT FINAL REPORT ON TRADE MISSION ACCOMPLISHMENTS.

3. FOLLOW-UP SUPPORT AFTER DEPARTURE OF TRADE MISSION.

MISSION RESOURCES REQUIRED:

PERSONNEL	MAN-DAYS	FINANCIAL
FSO/R/GS	10	TRAVEL 50
FSL-P	15	REPRESENTATION 175
FSL-C	14	PRINTING AND MAILING 150

3. CAMPAIGN WORKSHEET NO. 2: CONSTRUCTION, EARTHMOVING AND MINING EQUIPMENT. PRINCIPAL PROMOTIONAL ACTIVITY: TRADE MISSION. PROPOSED DATE: OCTOBER 1976.

CAMPAIGN STATEMENT: AS ECUADOR'S ECONOMIC BOOM CONTINUES, SO WILL THERE CONTINUE TO BE A NEED FOR ADDITIONAL AND MORE SOPHISTICATED EQUIPMENT FOR ALL AREAS OF CONSTRUCTION: INDUSTRIAL PLANTS AND COMMERCIAL BUILDINGS FOR THE PRIVATE SECTOR, AND INFRASTRUCTURE PROJECTS, PETROCHEMICAL FACILITIES, PORTS AND AIRPORTS FOR THE PUBLIC SECTOR TO NAME A FEW. AT THIS TIME, A MARKET MAY STILL EXIST FOR ADDITIONAL ROAD-BUILDING EQUIPMENT. THE MINING INDUSTRY IS ALSO EXPECTED TO BE IN ITS EARLY PHASES OF DEVELOPMENT.

CAMPAIGN OBJECTIVES:

1. IDENTIFY AND REPORT SUB-CATEGORIES WITH BEST MARKET POTENTIAL

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2. \$2.0 MILLION IN DIRECT SALES, OR ONE-TENTH ANTICIPATED ANNUAL IMPORTS.

3. 5 ARTICLES IN MEDIA

4. 3 REPRESENTATION AGREEMENTS SIGNED

ACTIONS:

1. PREPARE BEST-PROSPECTS LIST, CONTACT AND ARRANGE APPOINTMENTS WITH PRIVATE AND PUBLIC SECTOR DECISION-MAKERS.

2. 2 PRESS RELEASES ON MISSION MEMBERS AND PRODUCTS

3. ONE COMMERCIAL NEWSLETTER FEATURE ARTICLE ON MISSION.  
BY DECEMBER 31:

1. STAGE TRADE MISSION IN QUITO

2. 2 ARTICLES TO APPEAR IN MEDIA

3. PREPARE AND SUBMIT FINAL REPORT ON TRADE MISSION

PERSONNEL      MAN-DAYS      FINANCIAL

FSO/R/GS	15	TRAVEL	50
FSL-P	20	REPRESENTATION	175
FSL-C	15	PRINTING AND MAILING	160

4. CAMPAIGN WORKSHETT NO. 3: METALWORKING AND FINISHING EQUIPMENT.  
PRINCIPAL PROMOTIONAL ACTIVITY: SOLO EXHIBIT, QUITO. PROPOSED DATE:  
MARCH, 1977.

CAMPAIGN STATEMENT: THE METALWORKING INDUSTRY IS ONLY NOW BEGINNING TO DEVELOP AS ONE OF ECUADOR'S ASSIGNMENTS UNDER THE ANDEAN COMMON MARKET'S INDUSTRIALIZATION PROGRAM. TWO YEARS HENCE, THE MARKET SHOULD BE READY TO ACCEPT FAIRLY LARGE IMPORTS OF METALWORKING EQUIPMENT. A SOLO EXHIBIT OF EQUIPMENT IN QUITO IS JUDGED TO BE THE BEST PROMOTIONAL VEHICLE AS A FOLLOW-UP TO THE APRIL 1976 CATALOG SHOW.  
CAMPAIGN OBJECTIVES:

1. INTRODUCE 25 NTM FIRMS.  
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2. 15 REPRESENTATION AGREEMENTS SIGNED

3. \$2.0 MILLION DIRECT SALES

4. 12 MEDIA ARTICLES  
ACTION:  
BY SEPTEMBER 30:

1. NEGOTIATE FOR COMMITMENT OF EXHIBIT SITE.

2. INITIATE RECRUITMENT OF 40-50 U.S. FIRMS AS EXHIBITORS  
BY DECEMBER 31:

1. FINALIZE NEGOTIATIONS FOR RENTAL OF EXHIBIT SITE.

2. RECEIVE COMMITMENTS FROM U.S. PARTICIPANTS.

3. SUMIT AT LEAST THREE PROGRESS REPORTS TO PARTICIPATING TRADE ASSOCIATIONS AND INDIVIDUAL EXHIBITORS.

4. HITE EXHIBIT MANAGER OR OBTAIN COMMERCE SPECIALIST, AND CONTRACT FOR CONSTRUCTION AND DECORATION OF BOOTHS.

5. 6 MEDIA ARTICLES  
BY MARCH 31:

1. SUPPORT SOLO EXHIBIT WITH BIC

2. PREPARE NEWSPAPER ARTICLES AND ARRANGE TV COVERAGE.  
BY JUNE 30:

1. PREPARE AND SUBMIT FINAL REPORT ON SUCCESS OF SOLO EXHIBIT.  
MISSION RESOURCES REQUIRED:

PERSONNEL	MAN-DAYS	FINANCIAL
FSO/R/GS	35	TRAVEL/TRANSPORT 80
FSL-P	40	REPRESENTATION 425
FSL-C	20	PRINTING AND MAILING 500

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 USIA-15 MMS-04 SP-02 AGR-10 /049 W  
----- 073538

R 142115Z MAR 75  
FM AMEMBASSY QUITO  
TO SECSTATE WASHDC 4821  
INFO USDOC WASHDC  
AMCONSUL GUAYAQUIL

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5. CAMPAIGN WORKSHEET NO. 4: AGRICULTURAL EQUIPMENT. PRINCIPAL PROMOTIONAL ACTIVITY: CATALOG EXHIBIT, GUAYAQUIL.  
PROPOSED DATE: MAY, 1977  
CAMPAIGN STATEMENT: AGRICULTURAL SECTOR WILL UNDOUBTEDLY CONTINUE

FOR THE NEXT SEVERAL YEARS TO BE THE SECTOR MOST IN NEED OF REVITALIZATION, AND ON WHICH THE GOVERNMENT WILL EXPEND ITS BEST EFFORTS. GOVERNMENT PURCHASED 800 TRACTORS IN 1974 FOR DISTRIBUTION TO FARMERS, AND PLANS TO PURCHASE AT LEAST HALF THAT MANY IN 1975. BY 1977, THESE SHOULD STILL BE AN EXPANDING MARKET FOR ACCESSORY EQUIPMENT AND OTHER AGROINDUSTRIAL TOOLS. A CATALOG EXHIBIT IN GUAYAQUIL, THE CENTER OF ECUADOR'S FOOD-PRODUCING LOWLANDS, ACCOMPANIED BY TWO OR MORE US INDUSTRY REPRESENTATIVES, IS LIKELY TO BE THE BEST PROMOTIONAL VEHICLE.

CAPPAIGN OBJECTIVES:

1. INTRODUCE 35 NTM FIRMS.
2. 10 AGENTS/ REPRESENTATIVES SIGNED
3. \$1.5 MILLION IN DIRECT SALES
4. 12 MEDIA ARTICLES AND TV COVERAGE

ACTION:

BY MARCH 31:

1. ASSIST COMMERCE WITH LETTER CAMPAIGN TO OBTAIN CATALOGS.
  2. VISIT DECISION-MAKERS AND PREPARE LIST OF INVITEES.
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3. 6 MEDIA ARTICLES.
- BY JUNE 30:

1. STAGE CATALOG SHOW AND COCKTAIL PARTY, REGISTER VISITORS
  2. SUBMIT PRESS RELEASE TO ALL LOCAL MEDIA
- BY SEPTEMBER 30:  
PREPARE AND SUBMIT FINAL REPORT ON SHOW RESULTS  
MISSION RESOURCES REQUIRED

PERSONNEL	MAN-DAYS	FINANCIAL
FSO/R/GS	18	TRAVEL 25
FSL-P1	20	REPRESENTATION 400
FSL-C	15	PRINTING AND MAILING 100

6. CAMPAIGN WORKSHEET NO. 5: CHEMICAL PROCESSING/PLASTIC EXTRUSION AND CALENDERING EQUIPMENT. PRINCIPAL PROMOTIONAL ACTIVITY: TRADE MISSION, QUITO AND/OR GUAYAQUIL. PROPOSED DATE: JUNE, 1977.  
CAMPAIGN STATEMENT: PROMOTION OF THIS INDUSTRY SEGMENT IS TIMED TO TAKE ADVANTAGE OF ECUADOR'S NASCENT PETROCHEMICAL INDUSTRY. A PETROCHEMICAL PLANT SCHEDULED FOR CONSTRUCTION IN A FEW YEARS WILL EVENTUALLY GIVE RISE TO NEW PLASTICS PLANTS, IN ADDITION TO THE

20 TO 30 NOW IN EXISTENCE. MOST SIGNIFICANT IMPORTS IN UNIT TERMS  
WILL CONTINUE TO BE EQUIPMENT FOR TREATMENT OF THERMOPLASTICS.  
ALTHOUGH TOTAL 1972 IMPORTS OF SUCH EQUIPMENT AMOUNTED TO ONLY  
\$4.9 MILLION, SECTOR IS GROWING DIRECTLY AS FUNCTION OF RISE IN  
COUNTRY'S PURCHASING POWER.

CAMPAIGN OBJECTIVES:

1. 5 NTM FIRMS.

2. 3 REPRESENTATION AGREEMENTS SIGNED

3. 4 MEDIA ARTICLES.

4. \$2 MILLION IN DIRECT SALES

5. INFLUENCE CEPE DECISION-MAKERS TOWARD U.S. EQUIPMENT.

ACTIONS:

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BY MARCH 31

1. IDENTIFY AND REPORT EQUIPMENT SUBCATEGORIES WITH BEST MARKET  
POTENTIAL.

2. IDENTIFY GOE AND PRIVATE-SECTOR DECISION MAKERS AND PREPARE BEST-  
PROSPECTS LIST.

BY JUNE 30

1. 6 MEDIA ARTICLES.

2. ARRANGE SCHEDULE OF APPOINTMENTS.

3. HOST TRADE MISSION, AND HOLD COCKTAIL PARTY, IN QUITO AND/OR  
GUAYAQUIL.

4. PREPARE AND SUBMIT AFTER-ACTION REPORT.

MISSION RESOURCES REQUIRED:

PERSONNEL	MAN-DAYS	FINANCIAL
FSRO/R/GS	10	PRINTING AND MAILING 25
FSL-P	15	REPRESENTATION 200-500
FSL-C	15	(DEPENDING ON ONE OR TWO POSTS VISITED)

7. CAMPAIGN WORKSHEET NO. 6: GENERAL PROMOTION OF INDUSTRIAL PRO-  
DUCTS. PRINCIPAL PROMOTIONAL ACTIVITY: US PAVILION, V GUAYAQUIL  
INTERNATIONAL TRADE FAIR. DATE: SEPT.-OCT. 1977.

CAMPAIGN STATEMENT: THIS REMAINS A TENTATIVE PROMOTIONAL ACTIVITY,

DEPENDING ON THE SUCCESS OF THE IV GTF IN SEPT.-OCT. 1975. IF THE  
US PAVILION AT THE 1975 FAIR PROVES TO BE SUCCESSFUL, A COMMERCE  
ORGANIZED US PRESENCE AT THE NEXT FAIR IS RECOMMENDED.  
CAPAIGN OBJECTIVES:

1. INTRODUCE AT LEAST 15 NTM/NTE FIRMS
  2. UTILIZE PAVILION TO PROMOTE PRIMARILY CAPITAL GOODS.
  3. DIRECT SALES OF \$3 MILLION, AND 10 AGENTS/DISTRIBUTORS SIGNED.
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4. PROMOTE US CULTURAL AS WELL AS COMMERCIAL PRESENCE.

5. 9 MEDIA ARTICLES AND TV COVERAGE.

ACTION:

BY DECEMBER 31, 1976:

1. ASSIST COMMERCE IN NEGOTIATING AND CONTRACTING PAVILION  
SITE.

2. ASSIST COMMERCE IN RECRUITING NTM/NTE US EXHIBITORS.

BY MARCH 31:

1. COMPLETE ARRANGEMENTS WITH FAIR MANAGEMENT,

2. COORDINATE WITH USIS ON SELECTION OF IMAGE EXHIBIT.

3. PROVIDE LOCAL PUBLICITY THROUGH MEDIA AND COMMERCIAL NEWSLETTER.

BY JUNE 30:

1. MONITOR, AND ASSIST WHERE POSSIBLE, COMMERCE AND FAIR MANAGE-  
MENT IN FINAL PREPARATIONS AND DESIGN OF PAVILION.

2. PROVIDE SECOND-PHASE PUBLICITY FOR US PAVILION.

MISSION RESOURCES REQUIRED:

PEROSNNEL	MAN-DAYS	FINANCIAL
FSO/R/GS	15	PRINTING AND MAILING 150
FSL-P	10	
FSL-C	10	

8. SECTION IV, SUMMARY OF RESOURCE ALLOCATION:

MAN-DAYS			DIRECT COSTS (\$)			
FSO/R	FSL-P	FSL-C	TRAVEL	REPR	PR/M	OTHER

103 120 90 205 1,375- 1,085 0  
1,675

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9. COMMENTS:

1. BASED ON PEXPERIENCE OF RECENT AGRICULTURAL/FOOD PROCESSING AND PACKAGING TRADE MISSION, POSTS HAVE CONCLUDED THAT BEST PROMOTIONAL VEHICLE FOR MOST OF ABOVE CAMPAIGNS ARE TRADE MISSIONS BECAUSE OF GREAT BENEFITS OF PERSONAL CONTACT BETWEEN POTENTIAL BUYERS AND TECHNICAL EXPERTS. REALIZE COMMERCE MAY FACE BUDGETARY PROBLEMS; HOWEVER, SUGGEST THAT SUCH MISSIONS MAY STILL BE POSSIBLE IF ORGANIZED AND SUPPORTED LARGELY BY US TRADE ASSOCIATIONS, AS NOW REPORTEDLY BEING DONE IN COSTA RICA WITH PACKAGING MACHINERY MANUFACTURERS INSTITUTE (PMMI); 2. ABOVE CAMPAIGNS DO NOT INCLUDE POSTS' EFFORTS IN SUPPORT OF FOREIGN BUYERS' PROGRAM, E.G., ACTIVE RECRUITING OF LOCAL VISITORS TO FOUR OR MORE US TRADE FAIRS; NOR DOES IT INCLUDE ROUTINE POST EFFORTS SUCH AS DEVELOPING AND REPORTING TOS, FGTS, AND MAJOR PROJECT OPPORTUNITIES. REPORTING FROM POSTS IS ACTIVE AND CONTINUING PROCESS FOR ALL MAJOR PROJECTS AND TARGET INDUSTRIES. BREWSTER

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## Message Attributes

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**TAGS:** BEXP, EC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006